

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CRP-388

For: State and County Offices

Assigning CRP Payments Reminder

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

A number of private entities have approached CRP participants seeking to purchase future CRP annual rental payments in exchange for an up-front payment equal to the discounted value. In such cases, the CRP participants continue to be responsible for the contract compliance and effectively assign their future payments to a third party.

A number of State Offices have asked whether and how to properly account for these situations.

B

Purpose

This notice reiterates policy about assignments including cases where CRP participants have elected to sell future CRP payments in exchange for a discounted up-front payment.

2 Authority

A

Regulations

The regulations at 7 CFR §1410.58 provide that any cash payment due a participant may be assigned, in whole or in part, as provided at 7 CFR Part 1404.

B

Using CCC-36

2-CRP, paragraph 308 provides that CRP cash payments may be assigned using CCC-36 according to 63-FI.

Disposal Date

March 1, 2002

Distribution

State Offices; State Offices relay to County Offices and NRCS State Offices

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3 Contract Compliance

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Participant Liable for Contract Performance

Responsibility for contract compliance is not impacted by an assignment. The CRP participant remains responsible for all terms and conditions of CRP-1.

Example: Ms. Marjorie Doe of Orange County, Indiana, has a CRP contract and has entered into an agreement with XYZ Corporation (XYZ). Marjorie uses CCC-36 to assign future CRP payments to XYZ. Subsequently, the County Office discovers unauthorized grazing on the CRP acreage. The County Committee must hold Marjorie liable for performance of the contract and assess a standard payment reduction from the contract violation without regard to the assignment to XYZ.

4 Action

A

Processing Assignments

Offices shall use 63-FI to accept and process assignments.

B

State Office Action

FSA State Offices shall:

- immediately provide a copy of this notice to the NRCS State Office
 - immediately provide a copy of this notice to County Offices
 - ensure that County Offices follow the provisions of this notice.
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C

County Office Action

FSA County Offices shall:

- provide a copy of this notice to the NRCS Field Office
 - inform producers of the provisions of this notice.
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5 NRCS Concurrence

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NRCS National Office Concurrence

NRCS has concurred with this notice.
